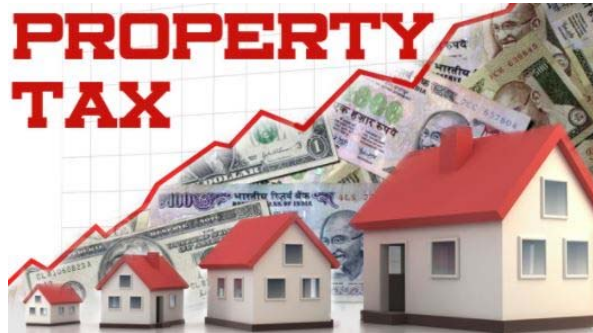


Handy Dandy Guide to the Texas



(Nearly everything I will ever need to know to avoid tax issues)

AVOID TAX GAFFES

Everyone is familiar with the annual delivery of tax office “love letters,” some with the first round of delinquent notices mailed in February and fewer the second round of delinquent notices mailed in May. In July the County law firm sends a far less kindly demand for payment. How do you avoid a tax gaffe and excessive penalties and interest? Basic rules and common errors to avoid are listed below.

Rules of the Road:

- RULE #1:** If you receive mail from us – OPEN IT! Do NOT assume it is a receipt and that you won’t need it until April 15th. Costly penalty and interest accrue on unpaid balances that result from a payment error.
- RULE #2:** Failure to receive the statement does not absolve you from responsibility for the taxes.
- RULE #3:** If you had a late value reduction or exemption approved and are waiting for a corrected statement, you will not be given additional time to pay so don’t delay.
- RULE #4:** Don’t wait until the last minute to pay. Your bank’s online bill pay does not mail payments immediately; a payment dropped in a USPS box may not receive a timely postmark; or our online system

may get bogged down because thousands are waiting to pay the very last day. *(We can research system failures if they are reported. Begin creating supporting documentation by sending an email to galcotax@co.galveston.tx.us.)*

- RULE #5:** Postdated checks are not held so be sure funds are available. If the check is not honored by the bank, you will not be given additional time to pay.
- RULE #6:** If you own/buy a business, there are likely multiple accounts *(the real and the business personal property account)*. Call us if in doubt. If you close a business after January 1st, you will owe taxes the ENTIRE year! Do not throw away the statement as you are personally liable whether you closed the business or purchased someone else’s and the taxes were not paid.

Common payment gaffes:

- ★ The numerical/box amount doesn’t match the written/legal amount *(bank only accepts written amount)*
- ★ The check was unsigned *(bank rejects it)*
- ★ An online payment was not fully completed *(a bank account or credit card number typed incorrectly will not be discovered for days)*. The online receipt is not proof of payment when this occurs.

- ★ You intended to pay multiple accounts but omitted listing one (*you may even receive a refund because we could not locate an account in the same name*) or multiple years were included but not noted
- ★ You paid the wrong amount and a balance remains
- ★ Disaster, quarter or split payment options are not available (*perhaps due to ineligibility or a deadline for the payment option was missed*)

Common purchase/loan closing gaffes:

- ★ The address on the deed was wrong (*CAD defaults to the property address without other instructions*)
- ★ The taxes were estimated (*using the prior year tax rates*) and was low or the previous owner's exemptions were removed resulting in a higher balance being due
- ★ The buyer was credited with the taxes at closing and did not realize it was their responsibility to pay at year end
- ★ An exemption was applied for but not approved

Other common gaffes:

- ★ You recently refinanced a loan/paid off a mortgage (*sign up for e-statements to insure you receive the statement or mark your calendar and go online before January 31st and look up the account*)
- ★ The wrong mortgage company requested and paid the bill and later requested a refund leaving you with levy, penalty and interest due
- ★ You moved but failed to notify the CAD. A change of address notice filed with USPS will NOT result in a change to property tax (*or voter registration*) records.

Regardless of the cause, the first delinquent notices are mailed mid-February and includes 7% penalty and interest (P&I). You may apply for a waiver of P&I but the reasons listed above are not likely to result in a waiver. Call and we will email or mail a P&I packet to you (*also available online*), complete and return it and the P&I Committee will review the information.

Hardship is not a reason to forgive P&I. If you are struggling, allow us the opportunity to set up a pay agreement – on a homestead we can slow the bleeding and the



sooner the better! Also – this year, disaster installments are available!

Yes – we are the government but – the Galveston

Taxpayer Bill of Rights

- I. You have the right to equal and uniform taxation
- II. You have the right to ensure that your property is appraised uniformly with similar property in your county.
- III. You have the right to have your property appraised according to generally accepted appraisal techniques and other requirements of law.
- IV. You have the right to receive exemptions or other tax relief for which you qualify and apply timely.
- V. You have the right to notice of property value increases, exemption changes and estimated tax amounts.
- VI. You have the right to inspect information that is not confidential used to appraise your property.
- VII. You have the right to protest your property value and other appraisal matters to an appraisal review board composed of an impartial group of citizens in your community.
- VIII. You have the right to appeal the appraisal review board's decision to district court in the county where the property is located.
- IX. You have the right to fair treatment by the appraisal district, the appraisal review board and the tax assessor collector.
- X. You have the right to voice your opinion at open public meetings about proposed tax rates and to ask questions of the governing body responsible for setting tax rates.
- XI. You have the right to petition a local government to call an election to limit a tax increase in certain circumstances.
- XII. You have the right to receive a free copy of the Comptroller of Public Accounts pamphlet Property Taxpayer Remedies.

For additional information, visit the Texas Comptroller website at comptroller.texas.gov

Taxes Seven Step (*the short “protest” guide*)

A robust real estate market is wonderful for your financial statement or when preparing to sell but not so much when it comes time to pay the tax man or woman! Appraisal notices are expected the first part of April each year and the deadline to call for an appointment, mail the formal notice or file an online protest is **May 15th**! What is a property owner to do????!!!! Try the Taxes Seven Step!



Step 1. Mail the formal protest form, file an online protest or call for an informal conference by May 15th



Complete the form included with the notice and mail, call to schedule an informal conference with an appraiser or file an online protest (www.galvestoncad.org) by May 15th! You may also hire a property tax agent. Protest the value based on both the property being assessed over market value (*condition concerns*) and for unequal appraisal (*same house elsewhere in the neighborhood valued for less*).

Step 2. Research the CAD records



The CAD maintains an appraisal record on each property. Request your appraisal card via email or obtain it when you attend the informal conference. Validate the information! Limited information is available online. If you recently purchased the property for less than the notice value or have a recent appraisal indicating a lower value than proposed, you likely are ready to go. If you paid more and discovered problems later or if repairs are needed before you could sell, take photos and obtain estimates and provide this information as the basis of your protest. **Condition is determined as of January 1.**

Step 3. Estimate the value using the protest spreadsheet



Use the spreadsheet available on the Tax Office website (www.galcotax.com under the Press Releases and Important Information link) and compare your property to others in the neighborhood or on the street. If you have sales – use them. (*Sales used by the GCAD are only available when filing a formal protest.*) Adjust the comps or sales for differences to determine your value range. Again, if there are identical houses in your subdivision valued for less, you likely have a good unequal value case. You may have to go to the ARB as not all appraisers have the authority to determine unequal value.

Step 4. Attend the Informal and then ARB Hearing



If you file a formal protest you will be notified of the date and time to attend the ARB hearing and will be asked to come in 15 minutes early to attend an informal conference with the appraiser in advance of the hearing. **YOU MAY RESCHEDULE THIS HEARING ONE TIME!** If you attend the informal conference without filing the formal protest, you will be scheduled for the ARB hearing at a later date (and may still reschedule **ONE** time). Most appraisal protests are settled in the informal hearing so this is the best place to start.

Step 5. Appraisal Review Board (ARB) Hearing



The ARB is a three member citizen panel appointed to hear protests. Also in attendance is a representative of the CAD and a hearing clerk who records the proceedings. You will be sworn in. The CAD appraiser will present its case and then you will present yours. Bring four copies of your evidence for the panel and appraiser. The ARB panel will then announce its decision.

Step 6. Arbitration or File Lawsuit in State District Court



ARB decisions can only be overturned in binding arbitration or by filing a lawsuit. Arbitration requires payment of a \$450 fee (*amount varies*) and is gaining in popularity. If you are successful (*meaning the arbitrator determines the value is nearer to your estimate than the CAD's*), all but \$50 of the fee will be refunded. Most lawsuits do not make it to court but, before taking this step, consider the cost versus savings.

Step 7. Repeat Process Every Year



Without meaningful property tax reform, the protest remedy is the only option. Attend tax rate hearings, participate in electing people to governments who want to reduce your tax burden and ask your Texas Senator and Representative for property tax reform such as lower appraisal caps or change from the current market value to price paid basis to eliminate this annual not-so-fun taxes “dance.”



STEPS TO BETTER GOVERNMENT



In addition to assessing and collecting taxes (and providing local services for several state agencies), I serve as Voter Registrar, fulfilling the responsibility of registering and maintaining the voter records of over 200,000 in Galveston County. With November elections fast approaching, let's expand your knowledge on the basics of voter registration and hopefully inspire your sense of civic responsibility.

Ronald Reagan said, *"Individual liberty depends on keeping government under control."* The Constitution presents a clear model concerning our inalienable/unalienable rights (those not transferable to another or capable of being repudiated) - that they are given to by God to the people and by the people to government. Thus, if government overreaches, we have allowed it. How? **By choosing to vote or not to vote.** The first step to better government, therefore, is becoming a voter and the second step is voting. (The third step is then holding those elected accountable but that is another story.)

Texas has a rich history with regard to voter registration laws. At our State's birth, only males who owned property were allowed to vote and in the not so distant past, citizens were required to reregister every other year. Although there are on-going efforts to revisit reregistration, to allow online and same day registration, the process of changing Texas laws is so amazingly tedious that nothing will change so fast that we do not have time to respond.

Registering to Vote & Updating Your Records

1. You may register to vote at DPS or by completing an application (*available online at www.voteTexas.gov or www.galcotax.com under Voter Registration Information*). Applications are available at all County Tax Offices, many government offices and at most chamber offices.
2. If you change your name or move, either note the change on the back of your current voter certificate (if in the same county), complete a new application and mail (postage paid), change online at SOS website (in county change only) or when you update your driver's license or Texas ID. If you move out of county, register there by completing a new application.

According to an article published in **GOVERNING** magazine, *"Voters trust local government more than the state or federal levels...while governments can't instill voters with enthusiasm... they can make it easier for citizens to find information and remove barriers preventing people from voting, fostering a stronger more representative government."*



IMPORTANT NOTE: USPS change of address forms do NOT update voter records. Certificates are mailed every other year and they may NOT be forwarded by USPS. If returned, you are placed in Suspense status and a letter is sent requesting additional information. If you do not respond, you will be asked to complete a form the next time you vote. If in Suspense status over two Federal election cycles, the SOS will purge your record from the State voter system.

3. Who may register? Residents of the county, a United States citizens, those at least 17 years + 10 months of age, those not a convicted felon (*unless sentence has been completed including probation, parole, pardon or otherwise released*) and those not be determined by a court to be totally/partially mentally incapacitated.
4. You will be able to vote 30 days from date of your postmarked application. If you fail to receive the certificate within two weeks, call our toll free number at 1-888-976-2280.
5. Your registration will automatically renew every even numbered year unless you move or become ineligible.

Register today or verify your records are current by calling or emailing the Voter Registration Department at galcotax@co.galveston.tx.us.

"We don't celebrate dependence (on the government) day July 4, we celebrate Independence Day!" Ronald Reagan

Resources

Galveston County Tax Office

www.galcotax.com 1-877-766-2284

Email: galcotax@co.galveston.tx.us

Galveston CAD

www.galvestoncad.org 1-866-277-4725

Michelle Morrison, Taxpayer Liaison Officer

Email: liaison@galvestoncad.org

Email: gcad@galvestoncad.org

Harris County Tax Office

www.hctx.net 713-368-2000

Email: tax.office@hctx.net

Harris CAD

www.hcad.org 713-957-7800

Email: help@hcad.org

Teresa Terry, Taxpayer Liaison Officer

Email: tterry@hcad.org